

106TH CONGRESS
2D SESSION

H. R. 4381

To amend the Internal Revenue Code of 1986 to provide that income averaging for farmers shall be applied by taking into account negative taxable income during the base period years.

IN THE HOUSE OF REPRESENTATIVES

MAY 4, 2000

Mr. GREEN of Wisconsin (for himself and Mr. NUSSLE) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide that income averaging for farmers shall be applied by taking into account negative taxable income during the base period years.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. NEGATIVE BASE PERIOD TAXABLE INCOME**
4 **TAKEN INTO ACCOUNT UNDER INCOME**
5 **AVERAGING FOR FARMERS.**

6 (a) IN GENERAL.—Section 1301 of the Internal Rev-
7 enue Code of 1986 (relating to averaging of farm income)
8 is amended by redesignating subsection (c) as subsection

1 (d) and by inserting after subsection (b) the following new
2 subsection:

3 “(c) NEGATIVE BASE PERIOD TAXABLE INCOME
4 TAKEN INTO ACCOUNT.—In the case of any prior taxable
5 year referred to in subsection (a)(2), any excess of—

6 “(1) the deductions allowed by this chapter for
7 such taxable year reduced by the net operating loss
8 (as defined in section 172(c)) for such year, over

9 “(2) the gross income for such year,
10 shall be taken into account as negative taxable income.”

11 (b) EFFECTIVE DATE.—The amendment made by
12 this section shall take effect as if included in the amend-
13 ments made by section 933 of the Taxpayer Relief Act
14 of 1997.

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